

FILED

MAY 27 2016

SECRETARY, BOARD OF
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR
AGENCY ACTION OF CRESCENT POINT
ENERGY U.S. CORPORATION FOR
APPROVAL OF ENHANCED AND
SECONDARY RECOVERY OPERATIONS
IN THE LOWER GREEN RIVER AND
GREEN RIVER-WASATCH FORMATIONS
IN SECTION 17, TOWNSHIP 3 SOUTH,
RANGE 1, EAST, U.S.M., Uintah
COUNTY, UTAH, FOR AUTHORITY FOR
UNDERGROUND INJECTION OF WATER,
AND CERTIFICATION AS AN ENHANCED
RECOVERY PROJECT

**RESPONSE TO REQUEST FOR
AGENCY ACTION**

Docket No. 2016-15

Cause No. 131-147

COMES NOW, International Petroleum Limited Liability Company ("IPLLC") and BRO Energy, LLC, ("BRO", collectively "the Respondents"), acting by and through their attorney, Anthony T. Hunter, and hereby responds to that Request for Agency Action (the "RAA") filed May 10, 2016 by Crescent Point Energy U.S. Corporation ("CPE" or "Petitioner") with the Board of Oil, Gas and Mining (the "Board"), requesting that the Board approve a waterflood secondary recovery unit in the captioned section. In response to the RAA, the Respondents respectfully state and represent:

1. Respondents are Utah limited liability companies with their principal place of business in Salt Lake City, Utah and are duly qualified to conduct business in the State of Utah.
2. Respondent BRO owns a partial working interest of record in 240 acres of the 640 acres sought to be unitized. Respondent IPLLC owns the mineral interest of record under those same 240 acres, specifically, the S/2NE/4 and the SE/4 of Section 17.

3. Respondents received Petitioner's written proposal for unitization on or about May 17, 2016 and diligently reviewed the same.

4. Respondents have not yet committed their interests to the proposed unit. IPLLC owns 37.5% of the mineral interest of record. Without IPLLC's approval, Petitioner will not have a sufficient commitment of "the owners of 70% of the production or proceeds that will be credited to interests which are free of cost, such as royalties, overriding royalties, and production payments" required by Utah Code Ann. 40-6-8 (4).

5. Respondents support the idea of a secondary recovery project on the captioned lands, but have objections to the RAA as currently drafted. Respondents have serious doubts that the RAA, as drafted, sufficiently protects correlative rights, adequately and properly drains the reservoir to be unitized, and follows Utah's statutory and regulatory regime for secondary recovery.

6. Respondents and Petitioner are currently attempting to schedule a meeting at Petitioner's offices in Denver, Colorado on or about the week of June 6-10, 2016 to address these concerns prior to the hearing scheduled for June 22, 2016. Respondents are hopeful that some or all of their objections can be resolved prior to the hearing. However, due to the proximity of the meeting dates to the hearing, the Respondents request the leave of the Board to further modify this Response prior to - or during - the hearing, pursuant to Utah Admin. Code Rule R649-105-200.

7. Respondents would consider positively, but do not at this time propose, a motion for continuance of the hearing.

WHEREFORE, Respondent respectfully requests that the Board:

1. Allow Respondents to appear and be heard at the Board's hearing on June 22, 2016;
and
2. Make a finding of good cause shown to allow modification of this Response to provide its remaining specific objections after June 10, 2016 in the event the proposed meeting between Petitioner and Respondents fails to resolve all of Respondents' objections; and
3. Provide for such other and further relief as may be just and equitable under the circumstances.

Respectfully submitted this 27th day of May, 2016.

By 

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CERTIFICATE OF MAILING

I certify that I caused a true and correct copy of the foregoing document to be mailed via U.S. Postal Service and via electronic mail to the below named parties.

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Signed, this 27th day of June, 2016.


